



**interseroh**  
zero waste solutions

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**zero waste solutions**  
2016 Sustainability reporting

# 2016


## Sustainability reporting

The 2016 Sustainability Report, in which Interseroh gives full details of its social and ecological business performance, is the third such report. With this report, Interseroh shows customers, employees, suppliers and the wider public the values that the company follows in its day-to-day business, the impact of its business activities on society and the environment, and the kinds of progress it is making in terms of sustainability.

Conserving resources, avoiding wastage: Solutions for achieving these goals are portrayed in the Interseroh Sustainability Magazine.

» [Sustainability Magazine](#)

Unless otherwise stated, the key figures and information presented here relate to the financial years 2015 and 2016.

The Sustainability Report has been prepared in line with the G4 edition of the GRI guidelines using the Core 'in-accordance' option. Parts of the report have also been audited by financial auditors KPMG (see [audit certificate](#)). The corresponding key indicators are marked with a .

This report is the first to be provided as an online sustainability report, whose clear and standardised format systematically presents the aspects and indicators defined as material topics by Interseroh. The menu system can be used to view all of the relevant information on the individual GRI indicators.



Supplementing the Sustainability Report, Interseroh is also publishing its [Sustainability Magazine](#) this year. Entitled "zero waste solutions", the magazine offers insights into the development process for a range of solutions that Interseroh is developing together with its customers, while showcasing initiatives to improve sustainability within the company.

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# General Standard Disclosures

## Strategy and analysis

### G4 - 1 Statement from the most senior decision-maker

Dear Readers,

The people of our planet are consuming too many resources. Nor is this a recent trend. Over the last five decades, we've taken more resources from the Earth than can be naturally renewed – every year, without fail.

Simple arithmetic tells us we'd need a new Earth in around 13 years. This should leave us in no doubt whatsoever that this cannot go on – neither for our generation nor those that follow. Unless we want to destroy the basis of our own existence, we need to protect our resources better.

Over 25 years ago, this is what Interseroh was formed to address, with a business model based on the conviction that we have to conserve our resources and avoid wastage. Our mission – and likewise our promise to our customers – is to develop zero waste solutions. This is our term for solutions that organise materials within a closed loop, extend product lifetimes and design processes to be as efficient as possible. The aim is to accelerate development towards a closed-loop economic model, with innovative ideas that accommodate trends such as digitalisation and seek to address previously unsolved problems. And by developing new business models, just as we are doing with our Encory joint venture, for example.

But 'avoiding wastage' is not only relevant to our outward-facing business: we also apply this idea to our own actions – to avoid the disproportionate consumption of material resources and the inefficient investment of our time, skills or financial assets.

Here, we are seeking to involve all of our company divisions and have also prepared a comprehensive action

plan: one of these actions is to make an initial calculation of our corporate carbon footprint and use the results to develop our own climate strategy.

All of our activities have been incorporated into our sustainability strategy with associated goals. We are now actively pursuing this strategy and reporting openly about our performance.

This report and our Sustainability Magazine provide you with a window onto our zero waste solutions and how we are working to develop them.

We wish you an informative and enjoyable read.

### Your Management Team

Hans-Stefan Kalinowski, Dr Timo Langemann,  
Markus Müller-Drexel, Christian Petschik



#### G4 - 2 Key sustainability impacts, risks and opportunities

Interseroh's business model is oriented on tackling urgent social and ecological challenges. If we look at the enormous demand for resources from the industrialised countries, strategies are increasingly required that can balance economy against ecology while accommodating current consumption requirements. In this light, the idea of a holistic, circular economy therefore offers a particularly sustainable model.

With the mission goal of 'zero waste solutions', Interseroh aims to secure a sustainable basis for the increasing demand for resources from a growing global population and avoid the unnecessary wastage of valuable resources. Recycling specialist Interseroh therefore develops solutions that organise materials within a closed loop, extend product lifetimes and design processes to be as efficient as possible. In 2015 alone, the recycling work completed by Interseroh's parent ALBA Group managed to save around 51.8 million tonnes of primary resources and avoid 5.9 million tonnes of greenhouse gas emissions.

Global challenges such as climate change and a growing awareness among members of society and the business world alike of the need to conserve resources and promote recycling are also helping to ensure that demand for Interseroh's services has risen steadily over the last few years. Recycling is increasingly important for Interseroh's customers. Companies who use a systematic approach to recycling to anchor resource loops in their core business will reduce their dependency on volatile primary resource markets and secure their competitiveness. For Europe's economies, the Ellen McArthur Foundation's report [Achieving 'Growth Within'](#) (2017) estimates the economic potential of the circular economy to be around EUR 320 billion by 2025.

Political developments also highlight the growing importance of protecting resources and the environment: at the 2015 UN Climate Change Conference in Paris,

196 countries agreed to pursue efforts to limit global warming to a maximum of two degrees Celsius. Resource conservation and efficient process design are two important aspects of such efforts. The 17 Sustainable Development Goals (SDGs) agreed also encompass topics such as the reduction of the overall volume of waste by strategies such as prevention, reduction, reuse and recycling.

Risks arise for Interseroh primarily from price volatility in relation to raw materials. While trends here are often difficult to predict, these prices have an indirect effect on the demand for Interseroh's services. Interseroh attempts to mitigate this risk by means of forecasts based on continuous analysis and observation of the relevant markets. The company views the recruitment of qualified employees, and IT specialists in particular, as a further risk. Not only is competition for well-qualified specialists growing fiercer, but digitalisation, which is also having a major effect on Interseroh's areas of business, makes these personnel essential for a company's future success. Here, Interseroh believes the solution is proactive HR planning and greater recruiting effort.

For the early identification, analysis and control of the opportunities and risks arising from these developments, Interseroh has introduced a management and control system as part of a unified approach to risk management. Core modules within this risk management system include strategic and operational corporate planning, internal reporting, internal control and compliance (see the management approach to the [G4 aspect Compliance](#)), treasury management and the risk early warning system. Further information is also available in the [ALBA SE 2015 Annual Report, p. 73 ff.](#)

# Organisational profile

## G4 - 3 Name of the organisation

**INTERSEROH Dienstleistungs GmbH (Interseroh)** is one of the leading services providers on the market when it comes to closing the product, material or logistics loop. Interseroh functions as the lead entity of the ALBA Group's Services segment.

You can find further information on Interseroh's services at

[www.interseroh.de/en/services/](http://www.interseroh.de/en/services/)

## G4 - 4 Primary brands, products and services

When it comes to closing the product, material or logistics loop, Interseroh is one of the market's leading services providers. For over 25 years, the company with its services has been reducing the strain on the environment while simultaneously safeguarding the supply of raw materials to the economy.

Interseroh works alongside customers throughout Europe to develop individual, industry-specific solutions and leverage both ecological and economic potential. Interseroh offers all of its services from a single source. The company's business model is based on four pillars that embody the principles of a holistic, closed-loop economy:

**ReDuce** – To prevent waste, Interseroh deploys sophisticated multi-use systems and pooling solutions that optimise customers' logistics processes while simultaneously cutting costs. One core service here, for example, is the pooling system set up by Interseroh for returnable fruit and vegetable transport packaging, which saves the consumption of 22,000 tonnes of paper, paperboard and cardboard every year.

**ReUse** – As an environmental services provider, Interseroh extends product lifecycles by setting up highly efficient systems for the taking back, sorting and reuse of recyclable materials. One new service in this segment is IT refurbishment, whereby enterprise hardware is collected, data erased and the equipment is then reconditioned for remarketing. Two other innovative business models that Interseroh has established are Relenda and Encory. Relenda GmbH leases children's clothing under the [Kilenda](#) brand, thereby extending its lifecycle. [Encory](#), a joint venture between the ALBA Group and the BMW Group, was formed in 2016 with the aim of

reconditioning used vehicle parts and returning these components to the market as original used parts. Within the ALBA Group, the venture was initiated by Interseroh and is also being managed by the company.

**ReCycle** – Once the options for waste prevention and reduction have been exhausted, the focus then turns to recycling. Interseroh develops modern solutions for closed-loop management and produces high-quality recycled materials. Important applications in this area include the taking back and recycling of packaging (Dual System Interseroh and transport packaging). Interseroh also supplies its customers with secondary resources such as the recycled plastic Procyclen, which is a direct substitute for primary resources in manufacturing.

**ReThink** – Consulting creates trust: Interseroh analyses, appraises and optimises company processes with sustainability in mind, regardless of whether the job at hand is waste volume, material flows or logistical and infrastructural processes. Tailor-made service models are developed as solutions here. Interseroh also offers facility services for customers in the commercial, technical and infrastructure segments.

In total, Interseroh offers 21 core services and continuously broadens its portfolio in accordance with the objectives from its sustainability strategy (cf. [G4-34](#)). As one example, the international recycling of lithium-ion batteries was added in the reporting period.

**G4 - 5 Location of the organisation's headquarters**

INTERSEROH Dienstleistungs GmbH is headquartered in Cologne, Germany.

**G4 - 6 Countries where the organisation has signification operations**

Interseroh is represented by a total of 31 locations in eight European countries. These locations are categorised as office premises, sales branches, sorting and processing plants, washing depots and counting centres; while some sites are owned outright by Interseroh, others are leased (see figure). Interseroh's largest revenue share of 91.5 percent is earned in Germany; other strategically important markets include Austria, Poland, Slovenia and Croatia.

The subsidiary CARElean GmbH relocated its headquarters to Cologne during the reporting period. INTERSEROH Plastics Research & Development d.o.o. also opened for business. It is a new centre of excellence for plastics recycling based in Maribor, Slovenia. In 2017, Interseroh opened another new site near Berlin. This plant will handle the entire IT refurbishment value chain from hardware collection to refurbishment and marketing.



**G4 - 7 Nature of ownership and legal form**

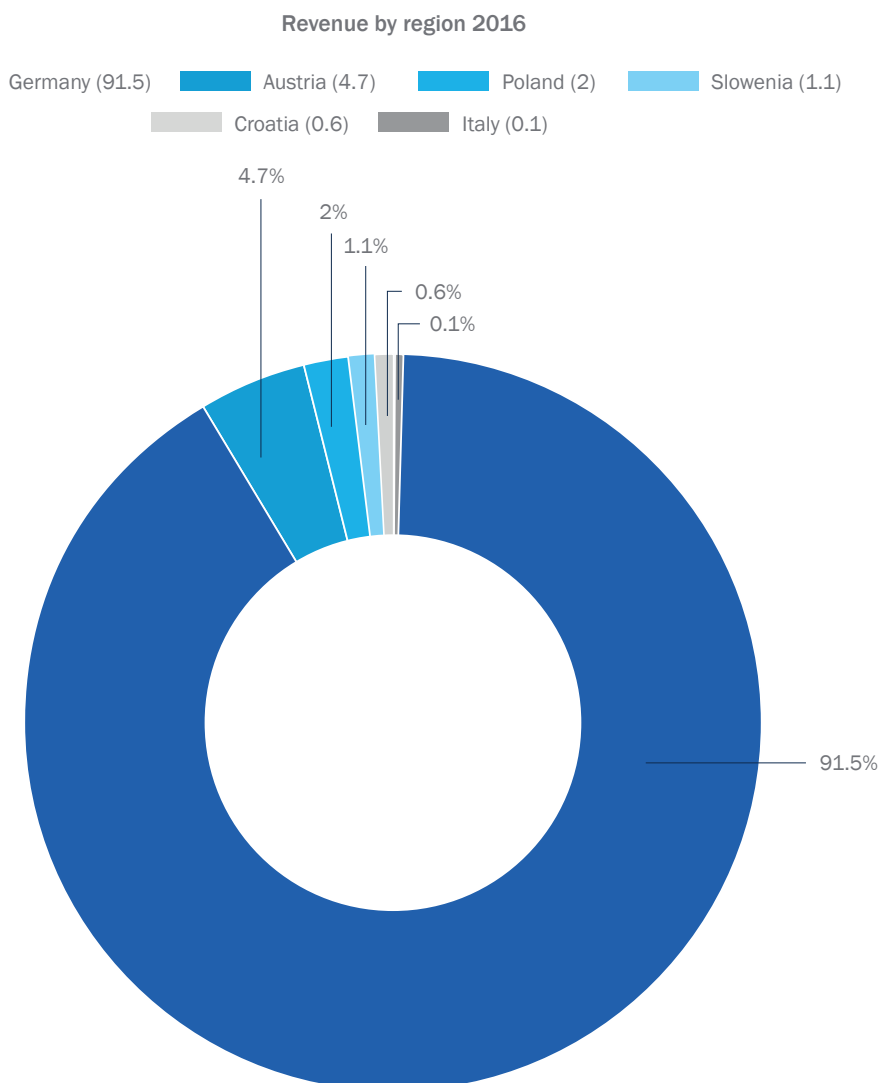
Die **INTERSEROH Dienstleistungs GmbH (Interseroh)** is one of the leading service providers on the market when it comes to closing the product, material or logistics loop. Interseroh functions as the lead entity of the ALBA Group’s Services segment.

Alongside ALBA Group plc & Co. KG (40 percent shareholding), a fund managed by the Chinese Deng business family has held a 60 percent stake in Interseroh since 23 March 2017. This joint holding is managed through ALBA Services Holding GmbH. Management responsibility for this company is shared between the two parties under the overall strategic guidance of

Dr Axel Schweitzer, CEO of ALBA Group plc & Co. KG. The Deng family is founder and owner of the technology and environment company Techcent.

**G4 - 8 Markets served**

In 2016, Interseroh posted revenue of 491.8 million euros. This represents year-on-year revenue growth of 4.7 percent. The majority of this revenue was earned in Germany. The company earned 8.5 percent of this revenue in other countries.



**G4 - 9 Scale of the organisation**

Interseroh employs 1,646 people (2016), operates 31 sites and does business in eight countries. In 2016, the company posted revenue of 491.8 million euros, which represents year-on-year revenue growth of 4.7 percent (for further details, please see the [ALBA SE Annual Report, p. 2](#)).

**492**  
million euros in revenue

**1,646**  
employees

**31**  
locations

**21**  
core services

**25**  
years of know-how in the recycling industry

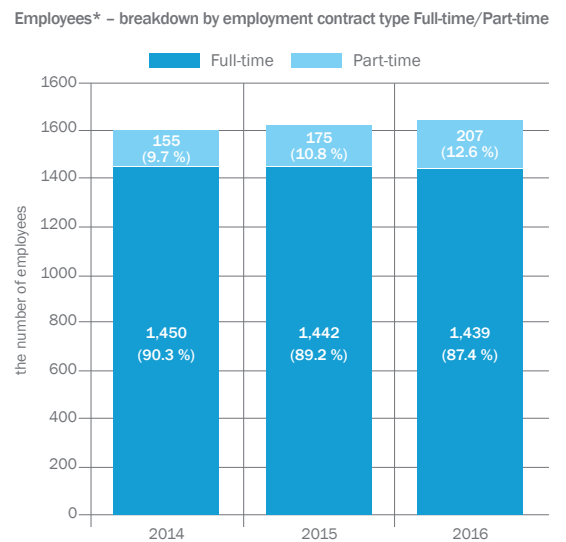
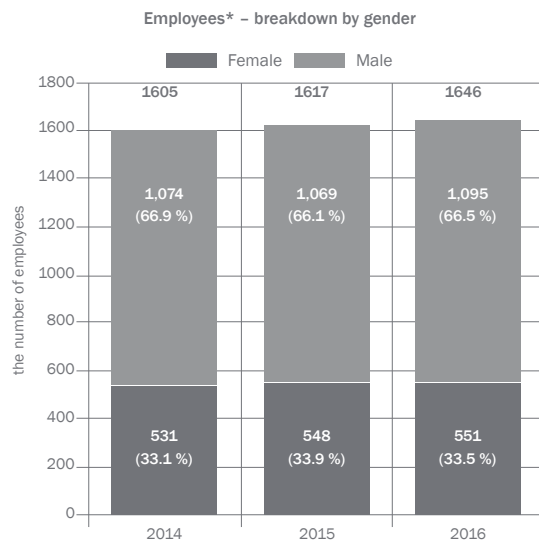
**19**  
apprentices/trainees

**✓ G4 - 10 Total employees by employment contract type, gender and region**

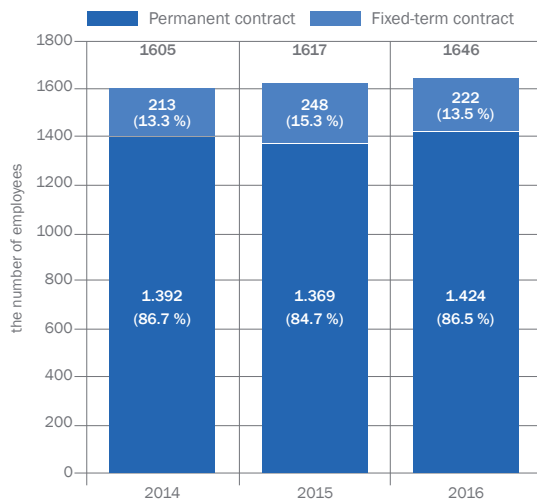
On 31 December 2016, Interseroh employed a total of 1,646 people. Over the last few years, the workforce has grown slightly from 1,605 employees in 2014 and 1,617 employees in 2015. Of these, 92.6 percent (2015: 92.6 percent) are employed in Germany. A breakdown of gender by region is not provided, since it would have little statistical value.

The proportion of female employees fell marginally from 33.9 percent (2015) to 33.5 percent (2016). The

proportion of part-time employees rose in the reporting period to 12.6 percent (2015: 10.8 percent); in contrast, the proportion of employees on fixed-term contracts fell from 15.3 percent in 2015 to 13.5 percent in 2016. Subcontracted labour rose slightly in the reporting period from 468 persons in 2015 to 500 in 2016; a breakdown by gender is not provided at this juncture. Interseroh uses the services of freelancers only on rare occasions.



Employees\* - breakdown by employment contract type Permanent contract/Fixed-term contract

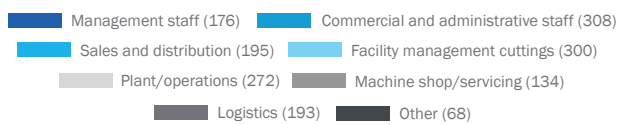


Employees\* - breakdown by employment contract type and gender

	2014	2015	2016
<b>Total</b>	<b>1,605</b>	<b>1,617</b>	<b>1,646</b>
Female	531	548	551
Male	1,074	1,069	1,095
Full-time	1,450	1,442	1,439
Part-time	155	175	207
Permanent contract	1,392	1,369	1,424
Fixed-term contract	213	248	222

\*Basis: headcount, excl. subcontracted labour; figures as on 31 December of each year. Employee numbers were stable in the reporting period.

Employees by employment type 2016



#### G4 - 11 Percentage of employees covered by collective bargaining agreements

In 2016, 50 percent of total employees at Interseroh were covered by collective bargaining and works agreements.

#### G4 - 12 Description of the supply chain

As an integrated services provider, Interseroh coordinates around 1,900 external service providers and suppliers in Germany alone. These providers and suppliers are active primarily in upstream and downstream logistics for collection/transportation, and in the treatment/processing of materials and waste. Here, Interseroh is interested in establishing long-term, trusted partnerships. For suppliers who provide customers with indirect services as part of their work for waste management or logistics orders, Interseroh is careful to choose businesses that are socially and ecologically responsible, thereby pursuing the goal of implementing sustainability along the entire value chain.

To this end, a [Supplier Code of Conduct](#) has been developed, which is referred to in particular during contract negotiation and audits (see also the [Supplier Environmental Assessment aspect](#) and the [Supplier Assessment for Labour Practices aspect](#)).

Interseroh itself fully meets the transparency requirements expected from suppliers. Interseroh has been a Sedex ([Supplier Ethical Data Exchange](#)) member since 2013. Sedex is a membership organisation for companies that have undertaken to ensure the continuous improvement of ethical behaviour in their supply chain. Sedex guarantees transparency along entire value chains.

#### G4 - 13 Significant changes in the reporting period

No significant changes occurred during the reporting period. Changes to the ownership structure entered into force on 23 March 2017 – for further information, please see section [G4 - 7](#).

#### G4 - 14 Application of the precautionary principle

Interseroh considers itself responsible for actively taking precautions to avoid risks to the environment and its employees, to avoid potential losses or damage and to be prepared to resolve problems quickly in the event of an emergency. These principles are implemented within the integrated management system that encompasses all processes and workflows for quality, the environment, occupational safety and health, and which fulfils the provisions of the international standards ISO

9001 (Quality Management), ISO 14001 (Environmental Management), ISO 50001 (Energy Management), ISO 22000 (Food Safety), BS OHSAS 18001 (Health Management), and the requirements for certification as a specialist waste management company. The ISO standards for quality and environmental management were revised in 2015. As a result, the company redoubled efforts to complete the assessment of risks for business models and processes.

Further information on opportunities and risks is available in the [ALBA SE 2015 Annual Report, p. 73 ff.](#)

Promoting environmentally-aware employee behaviour is a key aspect of Interseroh's application of the precautionary principle. Here, the company is careful to provide a comprehensive background on environmentally relevant topics. The aim is to motivate and enable staff to make a personal contribution to environmental protection and resource efficiency both in the workplace and at home. This is achieved primarily by job-related training, professional development and internal employee communications. The company's environment programme also requires all sites to work continuously towards improving their environmental performance. In the reporting period, all sites were also required to focus on mobility as a general topic.

In the individual companies and at all locations, individuals have been appointed who are responsible for maintaining internal and legal occupational safety and health standards. In all areas of its work concerning occupational safety and health – such as in relation to preparing the online hazard assessment – Interseroh is assisted by external service providers (see the management approach to the [Occupational Health and Safety aspect](#)).

#### G4 - 15 Endorsement of external initiatives

With its signing of the **Germany Sustainability Code (DNK)** in 2013, Interseroh has publicly endorsed the principles of sustainable business development. Interseroh was one of the first 70 companies to follow the German Federal Government's invitation to sign the Code. As a partner of the **Centre for Sustainable Corporate Governance (ZNU)**, Interseroh regularly participates in its events, contributing its expertise on the topics of sustainability, recycling and the circular economy. The ZNU represents the cooperation of research and business: 50 partners – ranging from small and mid-sized companies to multinational corporations – join forces at the Centre to make sustainability something accessible, feasible and credible. The tools developed by the ZNU to do so are both scientifically sound and practice-oriented. Since 2017, Interseroh has been involved as a

founding member in the new “[Sustainability Competence Programme](#)” at econsense – Forum for Sustainable Development of German Business. Here, skills are shared with a practical focus to anchor sustainability in the company long term. Specific aspects such as supply chain management and reporting are covered, as is the greater representation of the topic of sustainability in the company’s communication strategy.

#### **G4 - 16 Membership of associations and advocacy groups**

As an environmental services provider, Interseroh intends to act as an ambassador for sustainable development, and take an active part in shaping debate as a member of selected associations and advocacy groups.

The **Federation of the German Waste, Water and Raw Materials Management Industry (BDE)** is the industry association for the closed-loop and resource economy and is Interseroh’s most important association by a wide margin. Some 25 ALBA Group employees – including several Interseroh employees – are members of various working groups on topics such as electrical recycling and dangerous goods.

Interseroh also actively supports the **German DIY, Building and Horticultural Trade Association BHB** with

sponsoring and presentations. This work involves identifying and promoting new approaches for the building trade (e.g. recycled plastics and RTE pooling for building goods pallets).

Interseroh has been a member of the **German Packaging Institute (DVI)** since 2016. The aim of the organisation is to promote knowledge transfer and dialogue between industry companies, institutions and partners. The DVI also organises conferences and congresses. Here, Interseroh contributes its expertise on the topic of packaging optimised for recycling – such as with a presentation on optimisation options given in a working group.

Markus Müller-Drexel, Executive Director at INTERSE-ROH Dienstleistungs GmbH, chairs the Community Committee on Environmental Protection at the Bonn/Rhein-Sieg and Cologne Chambers of Industry and Commerce (IHK). Interseroh is also active in the Building Sector and Environmental/Machine Technology Association (VDBUM) and is a solution provider for Deposits and Pooling at GS1 Germany.



# Identified material aspects and boundaries

## G4 - 17 Companies included in the consolidated financial statements

The basis of consolidation includes include all national and international ALBA Group business units affiliated with the lead entity of the Services segment (INTERSE-ROH Dienstleistungs GmbH) as of 1 January 2017. All qualitative information and quantitative data specifically refer to the Services segment. Whenever information also references ALBA Group, this is clearly identified with a corresponding annotation.

## Overview of all applicable companies from the services segment:

- INTERSEROH Dienstleistungs GmbH
- INTERSEROH Pfand-System GmbH
- INTERSEROH Pool-System GmbH
- REPASACK Gesellschaft zur Verwertung gebrauchter Papiersäcke mbH
- INTERSEROH Product Cycle GmbH
- Carelean GmbH
- Relenda GmbH
- INTERSEROH Austria GmbH (Österreich)
- INTERSEROH Zbiranje in predelava odpadnih surovin d.o.o. (Slowenien)
- INTERSEROH Plastics Research & Development d.o.o. (Labor in Maribor, Slowenien)
- INTERSEROH d.o.o. za posredovanje u zbrinjavanju otpada (Kroatien)
- INTERSEROH Organizacja Odzysku S.A. (Polen)
- KVB Kunststoffverwertung Brandenburg GmbH
- ALBA Recycling GmbH
- ALBA Leipzig GmbH
- AVL Abfallverwertung Leipzig GmbH
- ALBA Facility Solutions GmbH
- ALBA Property Management GmbH
- Brandenburgische Boden Gesellschaft für Grundstücksverwaltung und -verwertung mbH
- INTERSEROH Service Italia S.r.l. (Italien)
- INTERSEROH Czech a.s. (Tschechien)
- INTERSEROH s.r.o. (Slowakei)

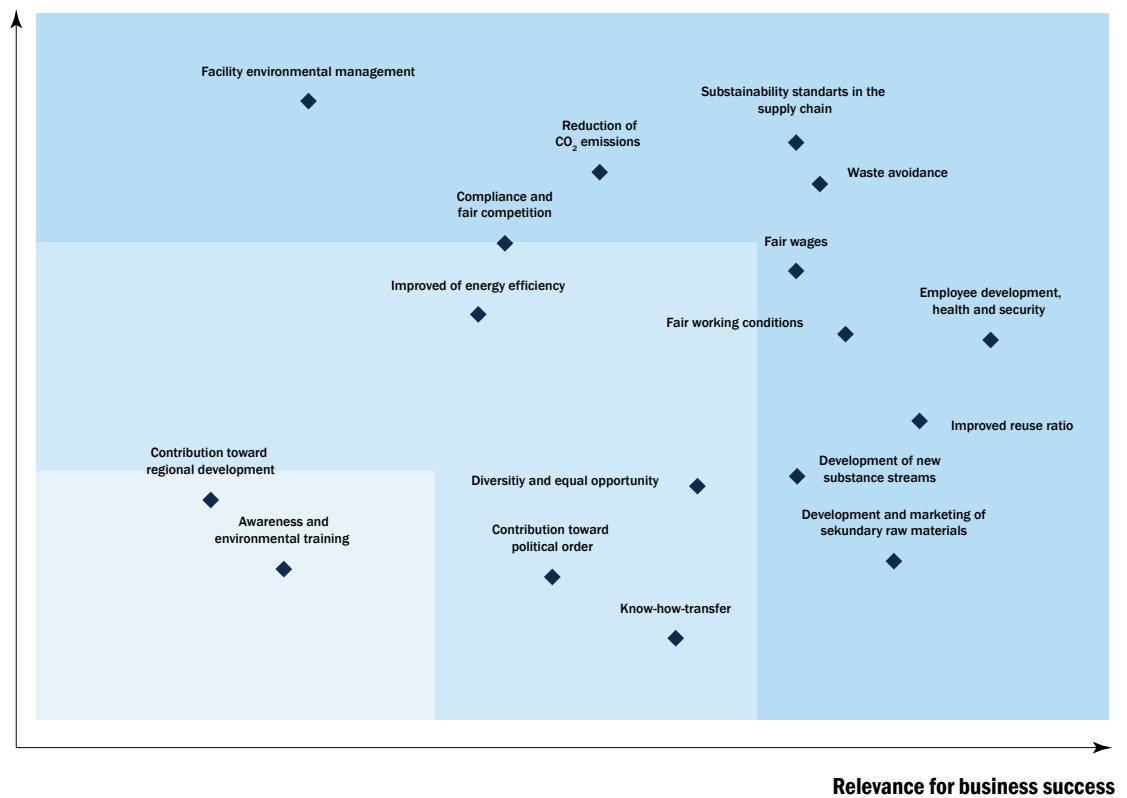
**G4 - 18 Process for defining the report content**

In 2014, Interseroh initiated a systematic process for the comprehensive review of its materiality analysis, using the results to adjust the focal points of its sustainability management work. The basis was a media analysis of global news reporting about Interseroh and the recycling industry, as well as topics relevant for sustainability. The latter was also evaluated by company management in terms of its direct and indirect relevance for Interseroh's success as a business. Customer and employee requirements were prioritised during this evaluation. As a result, the specific areas of supply chain, working conditions and environmental protection in the establishment proved to be relevant, alongside general business topics.

In accordance with the requirements from the G4 guideline from the Global Reporting Initiative (Core), the materiality analysis was used to derive the aspects that are of key significance for Interseroh. No significant changes to the evaluation of these topics occurred during the reporting period, and they are therefore reported on comprehensively in the 2016 Sustainability Report. A data tool is used to collect and managed the associated key performance indicators and information across a range of company locations.

Key topics are extensively updated during a four-year cycle. In 2017, the orientation of Interseroh's sustainability management will once again be reviewed and the materiality analysis will be revised.

**Relevance for stakeholders**



**G4 - 19 Material aspects**

The material aspects are the result of the systematic process for creating the materiality analysis.

Topics of the impact analysis	GRI reporting aspects	Aspect classification	
	G4 - 19	Significant for organization G4 - 20	Significant outside of organization G4 - 21
Facility environmental protection	Materials Energy Water Wastewater and waste transport	Interseroh	Logistics service providers
Compliance and fair competition	Fighting corruption Compliance Compliance	Interseroh	
Sustainability standards in the supply chain	Supplier ratings regarding societal impact Supplier ratings regarding employment practices Supplier ratings regarding ecological criteria	Interseroh	Suppliers
Fair wages	Equal wages for women and men Supplier ratings regarding employment practices	Interseroh	
Fair working conditions	Employment Diversity and equal opportunity	Interseroh	Suppliers
Employee development, health, and safety	Occupational and health safety Continuing training and education	Interseroh	
Reduction of CO <sub>2</sub> -Emissions by recycling	Economic performance Indirect economic impact		Customers
Reduction of in-house CO <sub>2</sub> emissions	Emissions	Interseroh	
Development and marketing of secondary raw materials	Indirect economic impact		Customers
Developing new substance flows	Materials	Interseroh	Customers
Increased reuse ratio	Indirect economic impact		Customers

**G4 - 20 Aspect boundaries inside the organisation**

[look at G4-19](#)

**G4 - 21 Aspect boundaries outside the organisation**

[look at G4-19](#)

**G4 - 22 Effect of restatement of information provided in previous reports**

In 2015, Interseroh provided a full calculation of its corporate carbon footprint for the first time. This involved the inclusion of a much larger number of emission sources than before, especially in Scope 3. In the [G4-EN15](#) indicator, Interseroh describes its own approach, the sources included and full details of the results.

**G4 - 23 Significant changes from previous reporting periods in the scope and aspect boundaries**

During the reporting period, no significant changes occurred compared to previous years in terms of the companies included in the basis of consolidation.

# Stakeholder engagement

## G4 - 24 Stakeholder groups engaged

One goal of Interseroh's sustainability strategy is to talk regularly with stakeholders about various topics of relevance to sustainability. Interseroh not only sees its role as being a strong advocate for the development of the economy towards a circular model, but also seeks to develop new, resource-friendly solutions that are capable of supporting a sustainable future. Accordingly, it is essential to know the needs, requirements and interests of the company's key stakeholder groups.

These include in particular customers and potential customers, researchers, suppliers, employees and experts working in the field of sustainability.

## G4 - 25 Identification and selection of stakeholders

Interseroh's most important stakeholders include customers and potential customers, researchers, suppliers, employees and experts working in the field of sustainability. Stakeholders were selected as part of preparing Interseroh's sustainability strategy. This selection was reviewed and confirmed in the course of refining the materiality analysis in 2014.

## G4 - 26 Approach to stakeholder engagement and frequency

By participation in various interest groups and associations (see [G4 - 16](#)) Interseroh actively helps to guide discussions and developments towards a closed-loop economy, and regularly shares its experiences with other companies, suppliers and partners working in the circular economy. In 2016, Interseroh again organised an environmental conference in Poland, attended by delegates from various companies to discuss developments towards the circular economy, changes in legislation, difficulties met in implementing environmental regulations in the company, and other topics such as non-financial reporting.

To familiarise its customers with the principles of the circular economy, Interseroh uses workshops where both parties work to develop ideas about how customers can manage their products and materials in a closed

loop. Interseroh uses audits to engage with suppliers at regular intervals.

Regular 'dialogue days' are just one form of staff interaction used by Interseroh. Important strategic decisions are usually announced at these events, and employees can also raise topics of interest. Employee surveys are conducted to evaluate specific measures such as staff health initiatives at Interseroh. The employee survey planned for 2016 was postponed as a result of changes in priorities.

Interseroh appointed its first Sustainability Advisory Board in autumn 2016. The six external members of the Advisory Board combine sustainability expertise from research, practice and civil society with professional careers in private equity, certification, retail, construction and the circular economy. Twice a year, the six experts meet with members of the Management Team and Interseroh's sustainability management team. The aim of these events is to discuss general issues relating to the circular economy and recycling, develop ideas and proposals for the further development of the sustainability strategy, and to identify new topics in a sustainability context.

## G4 - 27 Key stakeholder concerns and response

In 2016, Interseroh generated ideas both for day-to-day business and its sustainability strategy, in large part thanks to the newly appointed Sustainability Advisory Board. While Board members considered Interseroh's sustainability strategy to be eminently credible, they still see considerable potential in the functional interpretation of the strategy. As a result of this appraisal, experts and internal stakeholders will revise the Interseroh sustainability strategy, flesh out the goals, actions and key performance indicators (KPIs), and embed the strategy deeper into business development by 2018. This entails deeper integration of the sustainability strategy with the corporate strategy and the development of new KPIs to improve the measurability of goals, plus the development of a climate strategy on the basis of the [corporate carbon footprints](#), which was calculated for the first time in 2015. These strategic adjustments will be supplemented by communication measures.

# Report profile

## G4 - 28 Reporting period

Unless otherwise stated, the report and the key figures it presents relate to financial years 2015 and 2016.

## G4 - 29 Date of most recent previous report

Interseroh's last Sustainability Report appeared on 9 June 2015.

## G4 - 30 Reporting cycle

Interseroh's Sustainability Report, in which the company offers a systematic summary of its social and ecological business performance according to with the guidelines of the Global Reporting Initiative (GRI), appears every two years. The present document is the third such report. Interseroh supplements this report with its annual [Sustainability Magazine](#). Entitled "zero waste solutions", this year's magazine offers insights into the development process for a range of solutions that Interseroh has developed with its customers, while showcasing initiatives to improve sustainability within the company.

## G4 - 31 Contact point for report questions

Questions about the Sustainability Report or general enquiries about sustainability at Interseroh should be directed to sustainability management:

### **Sybilla Merian**

Sustainability Manager  
Stollwerckstraße 9a  
51149 Köln  
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### **Stephanie Thiele**

Sustainability Manager  
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51149 Köln  
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[Stephanie.Thiele@interseroh.com](mailto:Stephanie.Thiele@interseroh.com)

## G4 - 32 'In accordance' option chosen and GRI content index

This Sustainability Report has been prepared in line with the G4 Sustainability Reporting Guidelines from the Global Reporting Initiative (GRI) and uses the Core 'in accordance' option. This year is the first in which Interseroh has published its Sustainability Report in an online-only format that also follows the structure of the GRI content index.

## G4 - 33 External report assurance

Parts of the report have been audited by financial auditors KPMG. The corresponding audit certificate can be found [here](#). In the present Sustainability Report, the audited indicators are highlighted by being marked with a .

# Governance

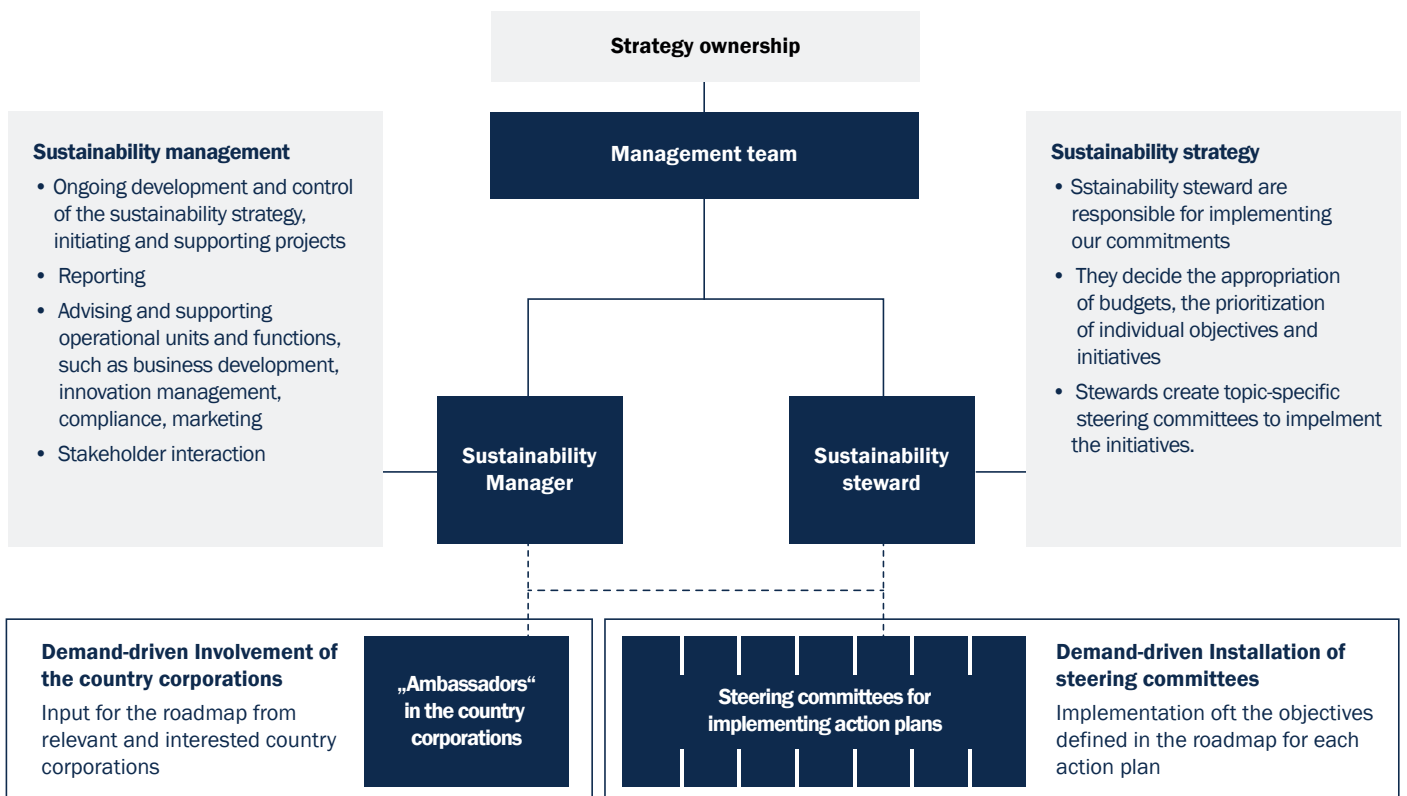
## G4 - 34 Governance structure, incl. committees of the highest governance body

Interseroh is an ALBA Group company. Dr Axel Schweitzer, one of the two co-CEOs of the family-run business, also sits on the Supervisory Board of ALBA Services Holding GmbH, the holding company for Interseroh. Interseroh is managed by a Management Team of four: Markus Müller-Drexel, Hans-Stefan Kalinowski, Dr Timo Langemann and Christian Petschik. Responsible management, sustainable strategy and decision-making, and an open corporate culture are the principles they follow in day-to-day business. The Management Team is responsible for implementing the sustainability topics that are defined as material. Within the team, the topic of sustainability is a key part of Markus Müller-Drexel's portfolio. The two Sustainability Managers report directly to Müller-Drexel. These managers are responsible for coordinating sustainability topics. They track the

implementation of sustainability goals in the company divisions and integrate the foreign companies with their market-specific sustainability activities. They are supported by seven steering committees, who are responsible for implementing the sustainability strategy's commitments.

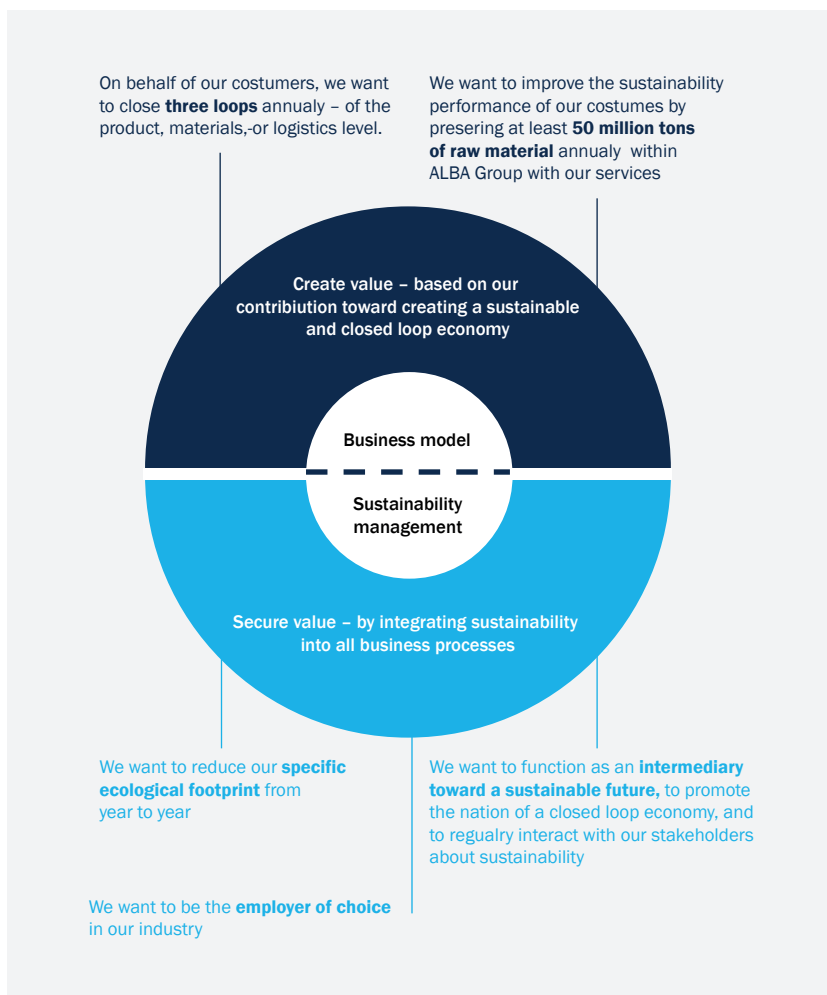
Interseroh's sustainability management supplements the integrated management system that comprises the processes and workflows for quality, the environment, and occupational safety and health. The basis for expanding the integrated management system to include additional sustainability aspects is provided by the statements of the international standard on the social responsibility of organisations (ISO 26000).

### Sustainability organisation



### Sustainability strategy

To align sustainability activities with the material topics for Interseroh and its stakeholders, the company has developed a well-founded sustainability strategy. This strategy pursues two overarching goals: to make a decisive contribution to establishing a circular economy (creating value) and to integrate sustainability systematically into all company processes (safeguarding value). These twin goals are tracked and measured with a total of five commitments:



#### Creating value

1. Every year, we want to close three loops – involving products, materials or logistics – for our customers.
2. We want to improve our customers’ sustainability performance by using the services provided within the ALBA Group to save at least 50 million tonnes of raw materials every year.

#### Safeguarding value

3. We want to reduce our specific ecological footprint from one year to the next.
4. We want to be the most attractive employer in our industry.
5. We want to function as an intermediary for sustainable development, to publicise the idea of the circular economy and discuss sustainability regularly with our stakeholders.

#### Sustainability programme

Interseroh has furnished each of these five primary commitments with a set of specific goals. The resulting [sustainability programme](#) includes high-level tasks applicable to all company divisions and aims to achieve the broad-based integration of sustainability thinking in all business processes. The sustainability management team uses these goals to guide its activities and measures its successes.

### G4 - 54 Ratio of highest annual total compensation to median annual total compensation

Compensation at Interseroh is in line with the industry standard in Germany. The company has already committed to paying the generally applicable minimum wage in the waste management industry for staff not covered by wage bargaining agreements. Blanket agreements with recruitment agencies are signed only if these guarantee compliance with the provisions of the law and the payment of the minimum wage.

In 2016, personnel expenses amounted to 71.2 million euros. In the reporting year, the ratio of the median annual compensation for all employees to the annual compensation for the highest-paid employee rose slightly from 1:9.3 in 2015 to 1:9.8 in 2016.



# Specific Standard Disclosure

## Economy

### Aspect: Economic performance

#### DMA management approach

Global megatrends such as resource scarcity or climate change are key factors that have helped to ensure that the relevance of Interseroh's service portfolio has risen steadily over the last few years. According to the UN Environmental Programme [UNEP](#), some 70 billion tonnes of raw materials were consumed in 2010. Consumption thus has more than tripled since 1970, when around 22 billion tonnes of raw materials were being used. Yet resources are limited, and raw materials are therefore becoming scarce and expensive. Solutions for increasing resource efficiency and for closed-loop management are therefore increasingly in demand.

Interseroh is steadily expanding its business model to meet these needs. This is why the company has set itself the goal of closing three loops – at the level of products, materials or logistics – for customers every year. Interseroh is also aiming to save 50 million tonnes of resources every year with the sustainability services

offered in the ALBA Group. Both goals were again achieved in 2016 (see Programme, [G4 - 34](#)). To ensure these goals can be met in the future, the sustainable orientation of internal processes is relevant. This includes the steady reduction of the company's own ecological footprint, increasing its appeal as an employer (see the management approach to the [Employment aspect](#)) and raising awareness in society for the idea of the circular economy.

#### G4 - EC1 Direct economic value generated and distributed

In 2016, Interseroh posted revenue of 491.8 million euros – representing year-on-year growth of 4.7 percent. Personnel expenses also rose slightly to 71.2 million euros. In contrast, profit declined by 10.4 percent year-on-year to 27.3 million euros.

#### Direct economic value generated and distributed (million euros)

	2014	2015	2016
Revenue	447.3	469.5	491.8
Personnel expenses	65.3	70.1	71.2
<b>Profit (EBT)</b>	<b>18.5</b>	<b>30.5</b>	<b>27.3</b>

#### G4 - EC2 Financial implications, risks and opportunities due to climate change

Climate change is one of the greatest challenges of our time. By setting itself the task of conserving resources and avoiding wastage, Interseroh also helps to cut CO<sub>2</sub> emissions. The company exerts its greatest influence through the services and solutions that it develops for customers. In 2015, recycling services from the ALBA Group, of which Interseroh is also a member, saved around 5.9 million tonnes of greenhouse gas emissions. Since many services provided by Interseroh target the growing demand for low-emission products and processes, this represents an opportunity to expand the company's business. Interseroh uses scientific reports and certificates based on this research to ensure that

savings related to emissions and resources are transparent for the customer. While Interseroh's business is not directly impacted by the negative effects of climate change, sites could be affected by isolated regulatory measures such as energy-oriented refurbishment initiatives. The consequences of these opportunities and risks have not been quantified to date.

Information on the risk management system is available from the [ALBA SE 2015 Annual Report, p. 73 ff.](#)

## Aspect: Indirect economic impacts

### DMA management approach

To turn the vision of a closed-loop economy – in which resources are conserved and raw materials are reused – into reality, action is required by citizens, companies and countries.

With its services, Interseroh is actively contributing towards the establishment of the circular economy (see [G4 - 4](#)). Beyond this, the company also considers its engagement for a sustainable society and social issues to be an important pillar of its corporate culture. Accordingly, the company has set itself the target of acting as an intermediary for sustainable development and promoting the idea of the closed-loop economy.

### G4 - EC8 Significant indirect economic impacts

In 2015 alone, the recycling work completed by Interseroh's parent ALBA Group managed to save around 51.8 million tonnes of primary resources and avoid 5.9 million tonnes of greenhouse gas emissions. These were the findings of [research](#) from the [Fraunhofer Institute for Environmental, Safety, and Energy Technology \(UM-SICHT\)](#). Interseroh therefore plays a key role in supplying resources to business and society while protecting the environment.

In its work as an educator and thought leader, Interseroh supports the research conducted at Witten/Herdecke University (Germany) by the [Centre for Sustainable Governance \(ZNU\)](#). The focus here is on making sustainability into an accessible topic for management. Since 2017, Interseroh has been involved as a founding member in the new [Sustainability Competence Programme](#) at econsense – Forum for Sustainable Development of German Business.

Another focus is raising awareness in the younger generation. In the „[Sammeldrache](#)“ project, pupils take responsibility for contacting companies and collecting their empty ink cartridges and drum units in a green Eco Box. Interseroh has also worked with the [Multivision](#) charity and sponsored the [REdUSE](#) project since 2016. Here, multimedia presentations are used to educate pupils about the overuse of non-renewable resources such as ores, minerals and rare earths. Another project for raising awareness is Eco Paka (Polish for Eco Box), which was started by the company's Polish subsidiary.

In this project, libraries across the country regularly receive new packages with which children can learn about saving resources in a playful way suited to their age groups. The Green Memo project launched in Lesznowola, Poland, also puts the focus squarely on the idea of learning from and with Nature, and educates on a range of topics from botany through to the recycling of composites.

Further information Interseroh's social engagement work can be found [here](#).

# Ecology

## Aspect: Materials

### DMA management approach

The Earth's resources are limited. It is therefore important to use these resources as efficiently as possible to ensure a more stable supply of resources to society and the economy over the long term. This is where Interseroh's services are making a significant contribution. As an environmental services provider, Interseroh also feels duty-bound to lead by example, however, and to design its own processes to be as efficient and resource-friendly as possible.

Overall, Interseroh consumes comparatively few resources itself, since the company's core business involves the provision of services. Material consumption is generally confined to detergents, which are mostly used in washing depots, and the printer paper used by administrative sites. As digitalisation proceeds, this demand for paper will continue to be reduced, while the consumption of detergents has been significantly cut by measures designed to improve efficiency. Every effort will be made to reduce the use of material yet further, in line with the continuous improvement process.

### G4 - EN1 Materials used by weight or volume

As a services provider, Interseroh consumes comparatively few resources itself; appreciable quantities are consumed primarily by administration (printer paper) and washing (detergents). The quantities consumed of both material groups are strongly influenced by business development.

Printer paper is used in particular by administrative sites, where a total of 24,531 kilogrammes was used in 2016. To reduce consumption, Interseroh is raising employee awareness about techniques for saving paper while continuously expanding its electronic billing system. These actions have proven effective: paper consumption in the company has fallen by 11.0 percent year-on-year from 27,570 kilogrammes.

Detergents on the other hand are primarily used at non-administrative sites. Here, the company uses only biodegradable cleaning products and avoids all use of hazardous substances. Detergent usage is greatest in the depots operated by INTERSEROH Pool-System GmbH as part of the washing process for returnable transport packaging. In 2015, 179,271 litres of detergent were used for washing just under 61 million boxes. In 2016, Interseroh was able to reduce the total quantity used at this site by 15.2 percent to 152,087 litres while simultaneously increasing the number of boxes processed to over 65 million. This means over 20 percent less detergent needed to be consumed per box. Interseroh also managed to reduce the overall volume of detergent used, cutting this figure by 14.8 percent to 156,629 litres (2015: 183,841 litres). This achievement can be attributed in particular to a changeover to more efficient spray disinfection systems.

## Aspect: Energy

### DMA management approach

Conserving natural resources and combating climate change are two of the biggest challenges now facing the global community. Energy efficiency is a key factor in meeting these challenges. Interseroh not only strives to provide products and services that help customers establish more energy-efficient processes, but also designs its own internal processes to be as energy-saving and resource-friendly as possible.

As part of our environment programme, all sites are required to work continuously towards improving their environmental performance. All of Interseroh's sites are certified to ISO 50001 (energy management). By discovering potential energy savings and introducing appropriate courses of action, the aim is to reduce energy demand as a continuous process, which will also reduce Interseroh's specific ecological footprint (see sustainability programme, [G4 - 34](#)). Energy consumption is therefore logged and managed in detail per site,

and discussed annually by the Management Team. Key points being addressed by environmental management are the promotion of environmentally-aware behaviour on the part of employees and ensuring the continuous optimisation of plants and processes (see [G4 - EN6](#)).

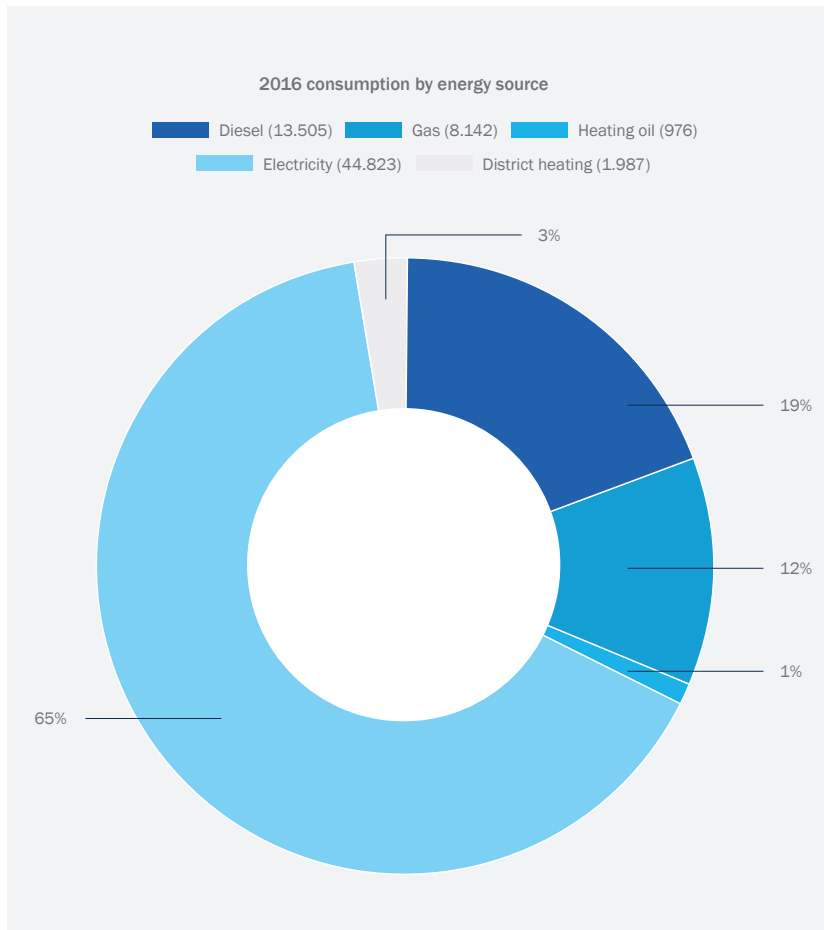
### ✓ G4 - EN3 Energy consumption within the organisation

In 2016, total energy consumption was 69,444 MWh. This equates to a year-on-year reduction of 4.5 percent (2015: 72,714 MWh). The energy sources most relevant for Interseroh are gas, diesel, heating oil, electricity and district heating. Currently, consumption is covered almost exclusively by energy derived from fossil fuels. The site in Austria switched to green electricity in 2016 (11.6 MWh). For 2017, electricity plans will again be reviewed for sites with higher energy demands.

### Energy consumption from fossil fuels (in MWh)<sup>1</sup>

	2014	2015	2016
<b>total</b>	<b>73,959</b>	<b>72,714</b>	<b>69,433</b>
Diesel	15,039	14,306	13,505
Gas	10,022	8,605	8,142
Heating oil	1,276	1,128	976
Electricity	46,014	46,644	44,823
District heating	1,608	2,031	1,987

<sup>1</sup> Differences in the totals may occur due to rounding. Sources: The figures stated for energy consumption are in each case based on measurements made at sites, invoices from suppliers and – if no invoice was available – on well-qualified estimates. Data collection techniques mean that quantities are given in megawatt hours (MWh). Typical conversion factors are used for the figures stated in accordance with publicly available sources.



#### G4 - EN4 Energy consumption outside of the organisation

Interseroh does not perform separate tracking of energy consumption outside of the company – i.e. due to key upstream and downstream activities in relation to business activities. Instead, controls here consider CO<sub>2</sub>-emissions (Scope 3) as definitive; these are comprehensively collected and analysed. Please see [G4 - EN15](#).

#### G4 - EN5 Energy intensity

In 2016, energy consumption within Interseroh totalled 69,444 MWh. Energy intensity in relation to revenue amounted to 141.2 MWh per million euros.

#### Energy intensity <sup>1</sup>

	2014	2015	2016
Absolute energy consumption (in MWh)	73,959	72,714	69,444
Energy intensity (in MWh per million euros of revenue)	165.3	154.9	141.2

<sup>1</sup> Energy types included: gas, diesel, heating oil, electricity, district heating and green electricity for the first time in 2016.

#### G4 - EN6 Reduction of energy consumption

In 2016, Interseroh's total energy consumption was 69,444 MWh. This equates to a year-on-year reduction of 4.9 percent (see also [G4 - EN3](#)).

Plant optimisation offers major gains in this context, and many related initiatives were completed in the reporting period. Significant savings were achieved in particular as a result of optimisations to sorting systems. At the sites in Berlin, Braunschweig and Walldürn, compressor controllers for the more efficient use of compressed air plus frequency-controlled air separators were installed in 2015/2016, while in Braunschweig, a frequency-controlled baling press was installed, plus more efficient pumps and a dosing feeder with an energy-efficient torque drive system. With these optimisations, Interseroh was able to save 399,126 kWh at just these three sites.

The technical upgrading of the plant systems was matched by initiatives at administrative sites such as the switchover to LED lighting. The procurement of vehicles with hybrid or electric drive systems is also now being systematically reviewed. Another area being targeted is creating a culture of awareness for employees, with the help of job-related training, professional development and a regular employee newsletter. A key role in this awareness work is played by the sustainability ambassadors, appointed for the first time in 2015. In Cologne, for example, a labelling campaign was organised to remind staff to switch off office equipment, radiators, etc.

## Aspect: Water

### DMA management approach

Although a scarce and especially valuable resource, water is an essential part of many of Interseroh's services. Interseroh is very careful to utilise water sparingly in all of its processes. Over 85 percent of this water is used at non-administrative sites: for the washing of returnable transport packaging crates at locations operated by INTERSEROH Pool-System GmbH, for the cleaning of pre-shredded plastic waste, and for the swim-sink separation process used in plastics recycling at the plant in Eisenhüttenstadt.

As part of the environment programme, all sites are required to work continuously towards improving their environmental performance, and this includes working to reduce water consumption. Causes of avoidable water consumption such as leaking taps or pipes are resolved as quickly as possible. All employees are also encouraged to use water sparingly.

### G4 - EN8 Total water withdrawal by source

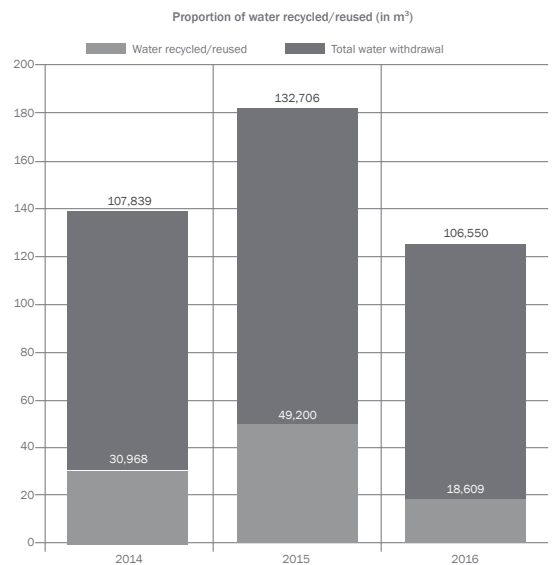
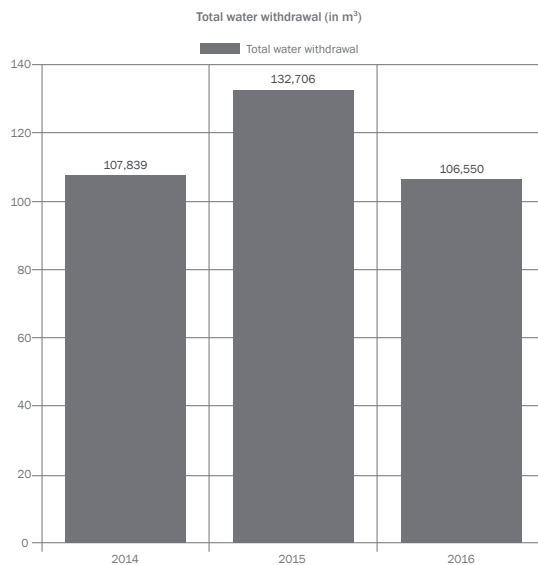
In 2016, Interseroh consumed approximately 106,550 m<sup>3</sup> of water. While this represents a year-on-year reduction of 19.7 percent, the figure of 132,706 m<sup>3</sup> for water consumption in 2015 was unusually high. This consumption is largely attributable to a one-off test process at the Eisenhüttenstadt plant.

### G4 - EN9 Water sources significantly affected

Interseroh sources its water solely from municipal utilities. No water is withdrawn from other sources (e.g. company-owned well).

### G4 - EN10 Water recycled and reused

In 2016, Interseroh consumed approximately 106,550 m<sup>3</sup> of water. A total of 18,609 m<sup>3</sup> was recycled/reused, equating to around 17.5 percent of total water consumption. This represents a significant year-on-year drop in recycled/reused water: in 2015, around 37.1 percent of water was recycled/reused. The unusually high figure for 2015 can be attributed to a one-off test process aimed at improving quality at the plant in Eisenhüttenstadt (see [G4-EN8](#)).



## Aspect: Emissions

### DMA management approach

Conserving natural resources and combating climate change are two of the biggest challenges now facing the global community. Interseroh wishes to play its part in limiting global warming. The company achieves this by providing products and services to customers on the one hand, and by continuously reducing its own environmental footprint on the other. As part of the sustainability strategy, this commitment was set out and furnished with goals, namely: greenhouse gas emissions are to be reduced continuously, site-specific optimisation work is to be carried out and the corporate carbon footprint (CCF) is to be calculated.

### In 2017, the company used this CCF to formulate a climate strategy and define goals:

- By 2025, Interseroh will reduce its site emissions (Scope 1 and 2) by 50 percent.
- As regards logistics, Interseroh is continuously looking for areas of potential optimisation and working towards its goal of reducing logistics-related emissions.
- In the future, Interseroh wishes to use its services to make an even greater contribution to the circular economy and reduce emissions. Interseroh will also be setting itself a quantifiable goal in this area in the course of 2017.

### ✓ G4 - EN15 Direct greenhouse gas (GHG) emissions (SCOPE 1)

Interseroh has systematically logged greenhouse gas emissions (GHG emissions) since 2013, and reports figures for Scope 1 (direct emissions), Scope 2 (indirect emissions) and Scope 3 (other indirect emissions) according to the Greenhouse Gas Protocol Corporate Standard. To date, the Scope 3 figure has included only the emissions from business travel. For 2015, Interseroh calculated its corporate carbon footprint (CCF) for the first time, thereby significantly expanding its scope ([see below](#)). To improve comparability, the following table for Scope 3 also reports emissions for business travel, as included in previous years.

In 2016, Interseroh's site-based GHG emissions, including emissions from business travel, totalled 30,312 tonnes of CO<sub>2</sub> equivalent, and therefore a year-on-year decline of 1,200 tonnes. This represents a year-on-year reduction of 3.9 percent.

**Greenhouse gas emissions (in tonnes CO<sub>2</sub>e)<sup>1</sup>**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Scope 1 - direct GHG emissions (G4 - EN 15)	6,374	5,853	5,505
Diesel	4,006	3,811	3,598
Gas	2,021	1,735	1,641
Heating oil	347	307	266
Scope 2 - indirect GHG emissions (G4 - EN 16)	24,882	25,347	24,378
Electricity	24,384	24,719	23,758
District heating	498	628	620
Scope 3 - other indirect GHG emissions; business travel (G4 - EN17) <sup>2</sup>	359 <sup>3</sup>	328	429 <sup>4</sup>
<b>Total greenhouse gas emissions</b>	<b>31,615</b>	<b>31,528</b>	<b>30,312</b>

<sup>1</sup> Calculation based on CO<sub>2</sub>-Basis. Sources: account statements and readings; diesel consumption for working vehicles and company cars from supplier statements (based on fuel cards); well-qualified estimates if no statement available. Proportion of biogenic CO<sub>2</sub> emissions not included. Basis of consolidation same as used for consolidated financial statements. Source of conversion factors: "Emission factors for electricity, district heating and fuels", versions 2009 and 2012, issued by PE International AG (for VDA).

<sup>2</sup> External auditing of Scope 3 emissions encompasses only emissions from business travel by rail and air.

<sup>3</sup> The value for 2014 has been retroactively altered due to a calculation error.

<sup>4</sup> A significant proportion of the rise seen from 2015 to 2016 results from the application of a uniform factor of 0.27 kilogrammes CO<sub>2</sub>e per air kilometre for all locations; this factor accounts for the Radiative Forcing Index (RFI). Prior to 2016, this was not accounted for all locations.



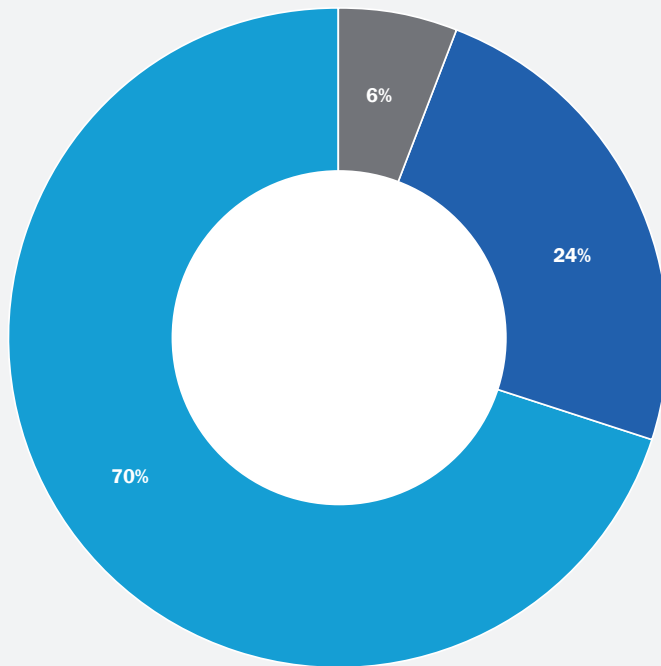
**Corporate Carbon Footprint**

Interseroh provided a full calculation of its corporate carbon footprint for the first time in 2015. A total of 104,000 tonnes of CO<sub>2</sub> were generated by Interseroh's activities in 2015. The large part of these emissions stemmed from the business model of contracting work to logistics service providers. Around 87 percent of the emissions reported in Scope 3 – amounting to 63,372 tonnes of CO<sub>2</sub> – can be attributed to transportation

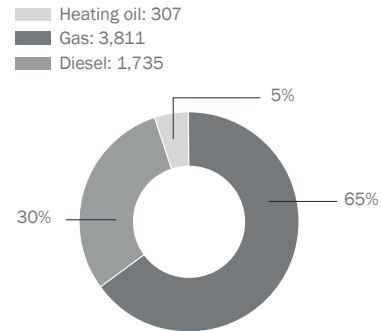
services. Since the CCF calculation is based in large part on the "resources SAVED by recycling" report from the Fraunhofer Institute for Environmental, Safety, and Energy Technology (UMSICHT), which will appear in autumn 2017 with prior-year data, the 2016 CCF could not be stated by the editorial deadline of this Sustainability Report.

**Corporate Carbon Footprint 2015**

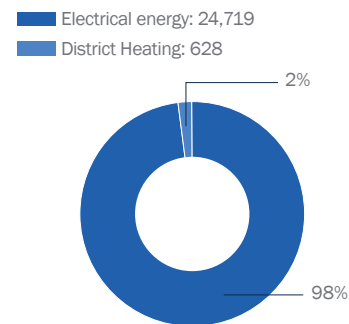
- Scope 1 – direct GHG emissions: 5,853
- Scope 2 – indirect GHG emissions: 25,347
- Scope 3 – other indirect GHG emissions: 72,808



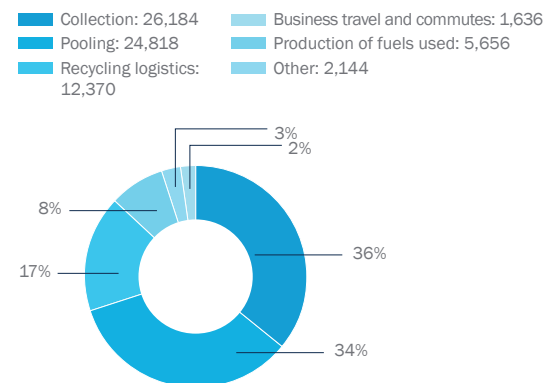
**Scope 1 – direct GHG emissions**



**Scope 2 – indirect GHG-emissions**



**Scope 3 – other indirect GHG emissions**



✓ **G4 - EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)**

[See G4 - EN15](#)

✓ **G4 - EN17 Other indirect greenhouse gas (GHG) emissions (Scope 3)**

[See G4 - EN15](#)

**G4 - EN18 Greenhouse gas (GHG) emissions intensity**

In 2016, total CO<sub>2</sub> emissions (direct and indirect site emissions plus emissions from business travel, see [G4 - EN15](#)) at Interseroh amounted to 30,312 tonnes. The intensity of GHG emissions in relation to revenue amounted to 61.6 tonnes per million euros.

## Aspect: Effluents and waste

### DMA management approach

As in any company, waste and waste water are also generated at Interseroh. As a recycling services provider, Interseroh naturally ensures proper handling of these waste streams and keeps them as low as possible. The aim is therefore to save – and where possible, recycle/reuse – water within the company as well. As part of environment programme, all sites are required to work continuously towards improving their environmental performance. Meetings are held at least once a year between site managers to discuss areas with potential for optimisation. The company also adopts measures designed to minimise the generation of waste and also separates recyclable waste on all of its premises. Progress is always being made in separating other materials. In addition, Interseroh also educates its employees on how to avoid the production of waste.

### G4 - EN22 Total water discharge by quality and destination

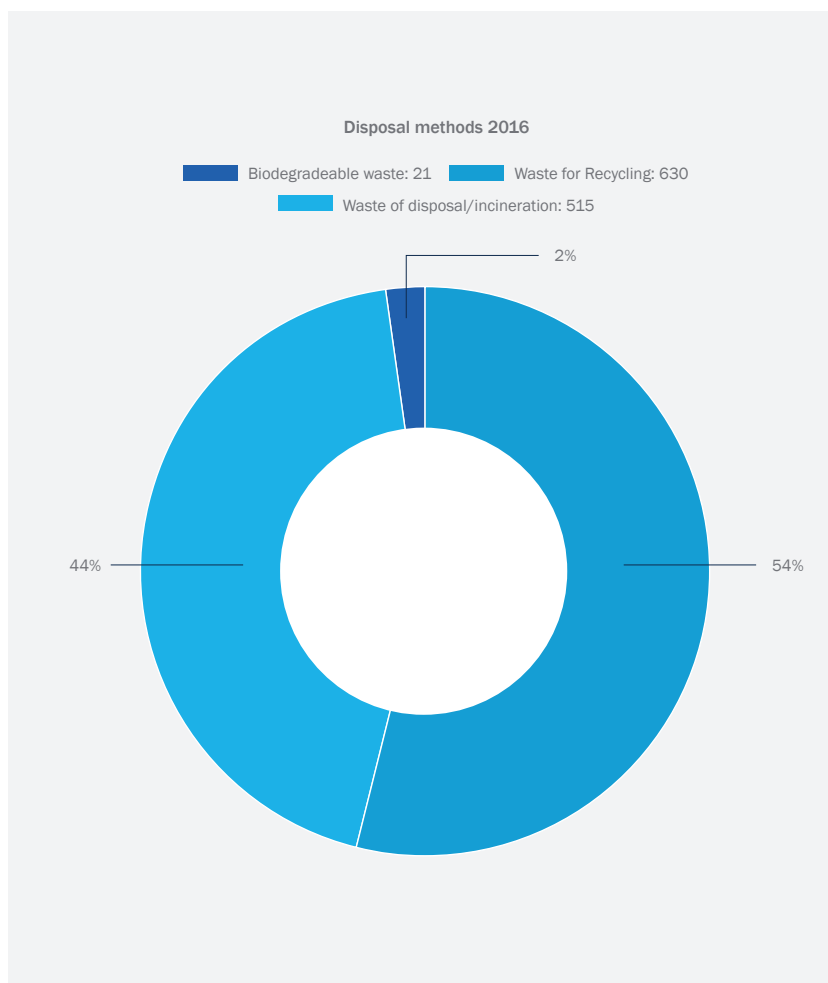
Wherever possible, Interseroh treats water for reuse (see [G4 - EN10](#)). Relevant quantities are produced primarily at sites with high water usage: Eisenhüttenstadt, Mönchengladbach and Sankt Leon Rot.

Water that cannot be treated for technical or other reasons is discharged after use into the municipal sewer system as waste water. In 2016, Interseroh discharged 97,761 litres of waste water. This equates to around 91.8 percent of total water withdrawal. The previous year's figure of 114,949 litres (equates to 86.6 percent) was considerably higher. This consumption is largely attributable to a one-off test process at the Eisenhüttenstadt plant (see [G4 - EN8](#)).

For the operation of its washing depots, Interseroh uses only detergents and avoids all use of hazardous substances. Waste water can therefore be discharged into the sewer system without pretreatment.

### water discharge (in m<sup>3</sup>)

	2014	2015	2016
total water withdrawal	107,839	132,706	106,550
water discharge	95,427	114,949	97,761



**G4 - EN23 Waste by type and disposal method**

In 2016, a total of 1,166 tonnes of waste were generated at Interseroh’s sites. This represents a year-on-year decline of 6.5 percent (2015: 1,247 tonnes). This unavoidable volume of waste is collected and separated so as to ensure that it is recycled correctly. Besides the separate collection of paper in the workplace, central collection points are also offered for packaging, biodegradable waste and residual waste. A minimal amount of hazardous waste is produced by Interseroh’s sites, and this is disposed of separately. At the Cologne headquarters, collection boxes are also provided for batteries, drum units, mobile phones, CDs and energy-saving bulbs.

Thanks to these initiatives, it has been possible to increase the proportion of waste collected for recycling from 33.0 percent in 2015 to 54.0 percent in 2016. At the same time, the total volume of waste for disposal and recycling fell by 293 tonnes from 2015 to 2016 and has actually halved when compared to 2014. Quantities of organic waste have also fallen over the last few years. One important initiative here has been the “Saving our Food” project launched by the Sustainability Ambassadors: at Interseroh’s Cologne site, employees can collect food products they no longer need and share these with their colleagues. At the end of the week, the [Foodsharing e.V.](#) charity collects any remaining products and distributes them to the needy. This approach has also been adopted at Interseroh’s events since 2015.

**Waste by disposal method (in tonnes)**

	2014	2015	2016
Biodegradable waste	64	28	21
Waste for recycling	438	411	630
Waste for disposal/incineration	1,047	808	515
<b>Total weight of waste</b>	<b>1,549</b>	<b>1,247</b>	<b>1,166</b>

## Aspect: Transportation

### DMA management approach

Conserving natural resources and combating climate change are two of the biggest challenges now facing the global community. Interseroh wishes to play its part in limiting global warming. Within the company, transportation is where the greatest savings can be made. Interseroh has set itself goals here as part of its own climate strategy. As regards logistics, Interseroh is continuously looking for areas of potential optimisation and working towards its goal of reducing logistics-related emissions.

See also the [management approach](#) to the Emissions aspect.

### G4 - EN30 Significant environmental impacts of transportation

At Interseroh, key environmental impacts due to transportation stem from the business model of contracting work to logistics services providers. In 2015, Interseroh achieved transparency concerning the related emissions by calculating its corporate carbon footprint for the first time: around 87 percent of the emissions reported in Scope 3 – amounting to around 63,400 tonnes of CO<sub>2</sub> – can be attributed to transportation services (see [G4 - EN15](#)). This is the area where Interseroh has the greatest potential to cut emissions. Invitations to tender for logistics services therefore include environmental parameters such as certification to ISO 14001 or the deployment of vehicles that meet the EURO 5 standard as a minimum to reduce the emissions generated.

## Aspect: Supplier environmental assessment

### DMA management approach

As an integrated services provider, Interseroh coordinates around 1,900 external service providers and suppliers in Germany alone. Ensuring sustainability is comprehensively observed along the entire value chain is therefore a complex challenge. As Interseroh's own responsibility goes beyond its own boundaries, the company is careful to choose businesses that are socially and ecologically responsible when contracting suppliers to provide customers with indirect services in relation to waste management or logistics orders. To this end, Interseroh has developed a [Supplier Code of Conduct](#) to form the basis of such contracts.

Interseroh's Supplier Relationship Management (SRM) system has been set up to maximise transparency and efficiency when working with its suppliers. SRM records store supplier data such as certificates, and general information about the company and its environmental/quality management systems.

### G4 - EN32 Percentage of new suppliers that were screened using environmental criteria

Interseroh applies stringent environmental criteria to supplier selection. New suppliers must therefore complete a prescribed screening process that is designed to confirm that they are capable of meeting Interseroh's minimum requirements for suppliers. Around 1,900 suppliers and service providers work for the company. Of these, Interseroh visits at least 100 every year and interviews them about processes and environmental criteria. In 2016, 120 of these supplier audits were completed.

# Working environment and working conditions

## Aspect: Employment

### DMA management approach

Interseroh can achieve its mission goal of 'zero waste solutions' only with the help of its employees. This is why it is very important that the company supports its employees, offers them opportunities for personal and professional development, and helps to ensure that they stay fit and healthy. For Interseroh, this means offering high-quality training and professional development, a decent wage, flexible working hour models, and personal options for promoting good health and achieving a work-life balance.

In this way, Interseroh aims to become the industry's most attractive employer. This Commitment, formulated as part of the sustainability strategy, has been used for the orientation of activities in Human Resources and assigned measurable goals (see also [G4-34](#)). Interseroh has used the [ALBA Group Guiding Principles](#) as a basis here.

With sustainable HR planning, the company is ensuring that it can cover its staffing needs over the long term. Where possible, Interseroh applies its MORE Value growth strategy to fill both new positions and vacancies by the targeted promotion, training and professional development of its own employees (see the [management approach to the Training and Education aspect](#)). If roles cannot be filled from the workforce, the focus is on

the recruitment of well-qualified personnel. To this end, the company's online presence was enhanced with a careers website in 2016.

One particular challenge is the topic of digitalisation. In 2016, an initial digital competency model was developed that incorporates the requirements facing the company's employees in the digital age. Recruitment activities for key positions in this area were also expanded.

### ✓ G4 - LA1 New employee hires and employee turnover

The total number of new hires rose slightly in 2016 to 249 (2015: 245), of which 27.3% were female. Some 89% (2015: 88%) of new employee hires occurred in Germany, as did 95% (2015: 96%) of the notices of termination served. One major activity in the reporting period was the recruitment of over 20 highly qualified employees for the new joint venture Encory.

**New hires**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total new hires	230	280	279
Of which female	25.2 %	30.4 %	29.4 %
By age group <sup>1</sup>			
20 and under	0.9 %	0.7 %	1.8 %
21 to 30	30.9 %	29.3 %	29.4 %
31 to 40	26.1 %	31.8 %	31.5 %
41 to 50	23.9 %	23.2 %	20.8 %
51 to 60	14.8 %	13.6 %	15.4 %
Over 61	3.5 %	1.4 %	1.1 %

<sup>1</sup> Differences in the totals may occur due to rounding.

**Staff turnover<sup>2</sup>**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
Ratio	12.3 %	13.3 %	14.1 %
Number	194	215	237
Of which female	18.5 %	26.0 %	30.8 %
By age group <sup>3</sup>			
20 and under	0.5 %	0.5 %	0.8 %
21 to 30	27.3 %	16.7 %	23.2 %
31 to 40	32.0 %	29.3 %	31.6 %
41 to 50	16.5 %	20.0 %	17.7 %
51 to 60	15.5 %	17.7 %	16.9 %
Over 61	8.2 %	15.8 %	9.7 %

<sup>2</sup> Critical employee turnover: Only employees whose departure usually requires new staff to be hired or existing staff to be promoted; excluding temporary staff and interns.

<sup>3</sup> Differences in the totals may occur due to rounding.

To analyse reasons for turnover in more detail, voluntary exit interviews have been held for staff in commercial roles since 2016. Interview findings are then anonymised and categorised for later discussion with supervisors and senior management. Specific interventions can then be introduced, such as optimising the onboarding programme, for example, or initiatives for developing leadership skills to reduce turnover rates over the long term (see also the [management approach to the Training and Education aspect](#)).

## Aspect: Occupational health and safety

### DMA management approach

Interseroh takes the topics of occupational safety and employee health very seriously. Not least because staff can develop their full potential only if they are both fit and healthy. The company wishes to honour its duties of responsibility and care to its employees to the fullest extent, and has therefore implemented a comprehensive approach to occupational safety and health.

In 2016, all of Interseroh's primary sites had both ISO 9001 and BS OHSAS 18001 certification. In the individual companies and at all locations, individuals have been appointed who are responsible for maintaining internal and legal occupational safety and health standards; the Health and Safety Committee also meets regularly. In addition, Interseroh is also assisted by an external service provider in relation to work concerning occupational safety and health – such as the preparation of the online hazard assessment, for example.

In the event of an accident, root cause analyses are conducted by local units, plus the derivation and implementation of preventive measures by the responsible management team. To further improve occupational safety throughout the entire company, a status quo analysis was performed in 2016 by external experts at sites in Berlin, Leipzig, Oberhausen and Sankt Leon Rot. Since the start of the 2016/17 financial year, the findings have been used for initial interventions at the sites in Berlin, Leipzig and Sankt Leon Rot.

To promote the health of all employees and prevent illness, Interseroh works on the continuous development of its corporate health management system. In

the reporting period, management staff at all levels in Interseroh's subsidiaries as well as apprentice trainers were given instruction in 'healthy leadership' and the company's health management programme. A comprehensive series of interviews with staff returning from long-term sick leave was also held, with a focus on industrial/technical roles. The aim is to identify correlations between the workplace and sickness absence at an early stage to enable interventions to be made.

Interseroh also offers its employees a wide-ranging programme of sports courses, advice and preventive care. In the reporting period, an existing cooperation with the Techniker Krankenkasse health insurer was significantly expanded, and new agreements signed with JustFit and fit4life. The second Health Day held at the Cologne and Leipzig sites in 2016 was also a great success. The topic for this year was 'Move – but watch your back'. Another key milestone was the opening of the staff canteen in Cologne. Employees can take a timeout from day-to-day office work here, and spend their breaks chatting to colleagues over a packed lunch or a meal bought directly on-site.

A planned survey on psychological dangers has been shelved; the topic will now be represented in the hazard assessment tool.

✓ **Injuries, occupational diseases, lost days and work-related fatalities**

Despite comprehensive occupational safety measures, there was an increase in injuries, namely from 71 in 2015 to 75 in 2016. The corresponding injury rate per million hours worked was 27.0 (2015: 25.8). All accidents occurred in Germany. In 2015, a tragic fatality occurred during repair work on a baling press at a sorting plant. There were no work-related fatalities in 2016. No analysis is offered of the type of injury and the severity of accidents in relation to the number of lost days, nor of the gender of injured personnel. In 2015 and 2016, there were no notified and no confirmed cases of occupational diseases.

Absence days fell from 29,362 (2015) to 27,265 (2016). Absence days per employee also fell correspondingly from 18.0 (2015) to 16.6 (2016). This high figure is primarily attributable to the high number of absence days in Germany (a total of 17.5 days in 2016). In the other countries in which Interseroh operates, average absence days per employee amounted to 5.0 days (2016), a significantly lower figure.

**Injuries and absence days<sup>1</sup>**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
accidents at work <sup>2</sup>	89	71	75
Injuries per 1 million hours worked <sup>3</sup>	32.4	25.8	27.0
Fatalities	0	1	0
Absence days	25,949	29,331	27,265
Average absence days per employee	16.2	18.1	16.6

<sup>1</sup> Data not collected on external contractors.

<sup>2</sup> Absence of over 3 days, excluding commuting accidents, basis is notifications to employer's liability insurers.

<sup>3</sup> 1,800 hours per full-time employee, 900 hours per part-time employee.



## Aspect: Training and education

### DMA management approach

Interseroh can achieve its goals only with the help of its employees. Accordingly, the company prides itself on offering personal support and advice to every employee, and has established a long-term HR development programme.

Company-internal training focuses on the acquisition and retention of high-quality young professionals from a pool of apprentices, students and trainees. The ultimate aim is to take on every single one of these potential employees.

In 2016, Interseroh was awarded the Fair Company accolade for its decision not to substitute full-time positions with interns, volunteers or long-term temporary staff. As a signatory party to the [Charter for Fair and Career-Relevant Trainee Programmes](#), Interseroh has oriented its vocational training work on ultimately preparing trainees for an expert or management role. From the outset, trainees take responsibility for certain tasks and receive support from experienced management staff. External audits are used to confirm that the trainee programme is standards-compliant.

Company-internal professional development focuses on helping employees and management staff alike to reach their full potential. This starts on the first day at work, when staff receive their individual on-boarding Plan, and continues with support from a mentor and regular welcome days. Where possible, Interseroh applies its MORE Value growth strategy to fill new positions by the targeted promotion, training and professional development of its own employees. An important role is also played by proactive succession planning and the support for career planning provided in the context of annual employee appraisals. On a related note, a risk management system and deputisation policies were also introduced in 2016.

### G4 - Programmes to support the continued employability of employees

The annual employee appraisal meeting is a core instrument within HR development work at Interseroh. The HR department uses continuous training programmes to support and assist management staff in organising these meetings. Talent conferences were also held in the reporting period to identify promising high potentials in the company. Personalised development plans are then used to help these people take the next steps in their careers.

Interseroh offers highly individualised professional development courses, coupling these with personal advice to bring out the skills and abilities of each and every employee. The curriculum is being steadily optimised and expanded, and includes technical training, seminars on methods expertise, plus workshops and coaching on social and personal skills. Digitalisation, which also has a major impact on Interseroh's areas of business, continues to be a key focus here. This was the reason why a workshop for designing a digital competency model was held in the reporting period. HR also joined forces with IT to develop and test the new HR development programme #DigiCampus, which was launched in 2017.

Other personnel development activities in 2016 concentrated on the domain of management. A core focus here was the role of the manager, their rights and duties, as well as networking among management staff. Training was also offered on these topics. Supplementing this work, the HR unit also handled management development work for the Management Team, for senior management and the individual business centres, and evaluated the results. Integrated health management (see the [management approach to the Occupational health and safety aspect](#)) constitutes another important pillar here.

In 2016, Interseroh launched the second instalment of its services excellence talent development programme. Participation is open to high potentials from any unit and from various levels of the hierarchy. The programme promotes the further development of segment-specific domain and methods expertise, and expansion of the participant network.

## Aspect: Diversity and equal opportunity

### DMA management approach

Interseroh views diversity as an important asset for any company: it promotes creativity and new solution strategies, from which both Interseroh and its customers can benefit. Interseroh does not tolerate discrimination in any shape or form. The company's [Code of Conduct](#) sets out the principles of equal treatment in the organisation and is binding on all employees. Employees can also use an internal whistleblowing hotline to anonymously report breaches of this anti-discrimination policy. No breaches were reported in the reporting period.

For hiring, succession planning and compensation alike, transparent criteria are applied that are based on an individual's training, previous experience, performance and achievements.

Interseroh also supports equal opportunities by offering flexible working hours models. Support here was extended with the services of pme Familienservice in 2015. This agency helps employees by organising individual

care solutions for children and dependants. Employees can also make use of counselling services offered on topics such as burnout, trauma or relationship problems. Owing to an internal review and the prioritisation of growth projects, work on career and family certification has been shelved until further notice.

### G4 - LA12 Composition of governance bodies and breakdown of employees by diversity indicators

In 2016, women held 21.3 percent (2015: 24.5 percent) of Interseroh's management positions at all levels of management. In the reporting period, a marked decline was observed in women in the second level of management in particular. Gender, ethnicity, age and religion play no role whatsoever in any personnel-related decision, including both hiring and terminations. The sole criterion is suitability for the specific job profile.

#### Women in management (in percent)

	2014	2015	2016
Total persons in first-level positions	0.0	0.0	0.0
Total persons in second-level positions	18.6	13.3	7.1
Total persons in third-level positions	29.6	30.3	29.0

The largest age group represented in the workforce is the 31 to 40 age group (27.8 percent); the proportion of women in this age group is also the highest, at 30.0 percent.

#### Employees by age group and gender 2016 (in percent)

	Age distribution	Of which female
20 and under	0.7	1.5
21 to 30	15.2	17.8
31 to 40	27.8	29.9
41 to 50	22.3	20.7
51 to 60	25.4	23.2
Over 61	8.6	6.9

## Aspect: Equal remuneration for women and men

### DMA management approach

Interseroh values the work performed by its employees very highly and wants to honour this with fair compensation. Compensation is therefore based solely on relevant expertise, experience and the individual's own performance. Discrimination is not tolerated in any shape or form.

### G4 - LA13 Ratio of basic salary and remuneration of women to men

The average compensation paid to men is roughly 4 percent higher than the average compensation paid to women. Hiring, succession planning and compensation is based solely on individual performance. Discrimination on the basis of ethnicity, age, religion or gender is not tolerated at Interseroh.

## Aspect: Supplier assessment for labour practices

### DMA management approach

As an integrated services provider, Interseroh coordinates around 1,900 external service providers and suppliers in Germany alone. Ensuring sustainability is comprehensively observed along the entire value chain is therefore a complex challenge. As Interseroh's own responsibility goes beyond its own boundaries, the company is careful to choose businesses that are socially and ecologically responsible when contracting suppliers to provide customers with indirect services in relation to waste management or logistics orders.

To this end, Interseroh has developed a [Supplier Code of Conduct](#) that also forms part of contract negotiations and regular audits at Interseroh. Since 2014, suppliers have also been required to answer a sustainability questionnaire, whose results are also considered during the contract award process.

Interseroh itself fully meets the transparency requirements expected from suppliers. Interseroh underlined this by joining Sedex ([Supplier Ethical Data Exchange](#)) in 2013. Sedex is a membership organisation for companies that have undertaken to ensure the continuous improvement of ethical behaviour in their supply chain.

Sedex guarantees transparency along entire value chains.

A Supplier Relationship Management (SRM) system has been set up to maximise transparency and efficiency when working with suppliers. SRM records store supplier data such as certificates, and general information about the company and its environmental/quality management systems.

### G4 - LA14 Percentage of new suppliers that were screened using labour practices criteria

Interseroh applies stringent labour practices criteria to supplier selection. New suppliers must therefore complete a prescribed screening process that is designed to prove that they are capable of meeting Interseroh's minimum requirements for suppliers. In 2016, 120 supplier audits were completed, with issues under investigation also including compliance with minimum wage legislation and environmental certification.

# Society

## Aspect: Anti-corruption

### DMA management approach

Honesty, trust and fairness are core values for Interseroh as a company. The company remains firmly convinced that sustainable success over the long term is possible only if these values are honoured. Accordingly, corruption is not tolerated in any shape or form. As an ALBA Group company, Interseroh applies the Group's general-purpose compliance management system as an anti-corruption tool. Corruption is also a topic covered by the regular face-to-face compliance training courses and the ALBA Group's electronic compliance training programme.

Separate company policies have also been drawn up to address donations, sponsoring and gifts.

### G4 - S04 Communication and training on anti-corruption policies and procedures

In 2016, ten face-to-face training sessions (2015: four) were held on compliance topics in the ALBA Group, plus online training. Overall, over 100 employees – including Interseroh staff members – took part in the two-hour face-to-face training sessions.

## Aspect: Compliance

### DMA management approach

Alongside the self-evident importance of complying with the law, the ALBA Group has drawn up a set of supplementary internal policies that are also binding on Interseroh as a group member company. A new compliance guide was published in 2014. This document has the aim of enabling employees to review their own behaviour in line with a few succinct guidelines and examples, and so encourage self-reflection about ethical standards. The guide is also intended to prevent situations and incidents that could damage the reputation of Interseroh or the ALBA Group as a whole. The following topics are covered by the compliance guide:

- General compliance with the law
- Anti-discrimination and equal opportunity
- Occupational safety
- Environmental protection and innovation
- Data protection
- Antitrust legislation and fair competition
- Integrity and anti-corruption
- Gifts and perquisites
- Donations and sponsoring
- Fair procurement
- Trade secrets and intellectual property

Employees with questions or information relating to compliance issues can contact the ALBA Group compliance hotline by mail, by phone or via an anonymous contact form on the company's website. Interseroh employees can also use the anonymous whistleblowing hotline. Any breaches reported or identified are reviewed by company management and processed accordingly. Depending on the gravity of each case, the consequences may include spoken warnings or disciplinary action, and claims for compensation may also be asserted where appropriate.

Apart from these reporting mechanisms, cash desk audits are also performed regularly by the ALBA Group's Internal Audit department and expense forms are also checked for discrepancies.

### G4 - S08 Fines and sanctions for non-compliance with laws and regulations

No violations were reported for 2015 and 2016.

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